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15 *Attorneys for Claimants First 100, LLC,  
1st One Hundred Holdings, LLC, and  
Battle Born Investments Company, LLC*

16 **UNITED STATES DISTRICT COURT**

17 **NORTHERN DISTRICT OF CALIFORNIA**

18 **SAN FRANCISCO DIVISION**

19 UNITED STATES OF AMERICA,

Case No. 20-7811-RS

20 Plaintiff,

**VERIFIED ANSWER BY FIRST 100, LLC  
AND 1ST ONE HUNDRED HOLDINGS,  
LLC**

21 v.

22 Approximately 69,370 Bitcoin (BTC),  
23 Bitcoin Gold (BTG), Bitcoin SV (BSV), and  
Bitcoin Cash (BCH) seized from  
24 1HQ3Go3ggs8pFnXuHVHRytPCq5fGG8Hb  
hx,

Judge: Hon. Richard Seeborg

Courtroom: 3

Case Filed: November 5, 2020

FAC Filed: November 20, 2020

Trial Date: TBD

25 Defendant.

26 First 100, LLC, and 1st One Hundred  
Holdings, LLC,

27 Claimants.

1           Claimants First 100, LLC. and 1st One Hundred Holdings, LLC., having duly filed their  
2 claim of interests in the above-captioned lawsuit on March 16, 2021, by and through their  
3 undersigned counsel, hereby file their joint Verified Answer as follows:

## **NATURE OF THE ACTION**

5       1. The Claimants assert that the allegations in Paragraph No. 1 of the Plaintiff's  
6 amended complaint describe the statutory bases to bring this civil action. Those are legal  
7 conclusions to which no responses are required. To the extent that an answer is required,  
8 Claimants lack sufficient information to admit or deny the allegations in Paragraph No. 1 and, on  
9 that basis, the Claimants deny them.

## **JURISDICTION AND VENUE**

11       2. The Claimants assert that the allegations in Paragraph No. 2 of the Plaintiff's  
12 amended complaint are legal conclusions to which no responses are required. To the extent that  
13 an answer is required, the Claimants aver that they lack sufficient information and belief to admit  
14 or deny and therefore deny the allegations of Paragraph No. 2.

15       3. The Claimants assert that the allegations in Paragraph No. 3 of the Plaintiff's  
16 amended complaint are legal conclusions to which no responses are required. To the extent that  
17 an answer is required, the Claimants aver that they lack sufficient information and belief to admit  
18 or deny and therefore deny the allegations of Paragraph No. 3.

19       4. The Claimants assert that the allegation in Paragraph No. 4 of the Plaintiff's  
20 amended complaint are legal conclusions to which no response is required. To the extent that an  
21 answer is required, the Claimants aver that they lack sufficient information and belief to admit or  
22 deny and therefore deny the allegations of Paragraph No. 4.

## PARTIES

24       5. The Claimants admit the allegations in paragraph No. 5 of the Plaintiff's amended  
25 complaint.

6. With respect to the allegations in paragraph No. 6 of the Plaintiff's amended  
complaint, the Claimants admit that the Defendant Property identified in this action is comprised  
of the following:

- a) 69,370,22491543 Bitcoin (BTC);
  - b) 69,370.10730857 Bitcoin Gold (BTG);
  - c) 69,370,10710518 Bitcoin SV (BSV); and
  - d) 69,3700.12818037 Bitcoin Cash (BCH)

all of which were contained in Bitcoin wallet/folder/account number

IHQ3G03ggs8pFnXuHVHRytPCq5fGG8Hbx. By way of further answer, although the Claimants admit that the Plaintiff seized the above-referenced Bitcoin, the Claimants lack sufficient information or knowledge to know the date and circumstances under which the seizure was accomplished; and, therefore, can neither admit nor deny those elements of Paragraph No. 6. Collaterally, the Claimants assert that the value for each cache of Bitcoin and/or cryptocurrency, referenced-above, continuously fluctuates, depending on market conditions; and that Claimants assert their unfettered ownership interests in the inconstant value of the Defendant Property to and through the date of final judgment by this Court.

## FACTS

7. The Claimants assert that Paragraph No. 7 of the Plaintiff's amended complaint comprises an historical narrative of the events leading up to the Government's seizure of the Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack sufficient information or knowledge to admit or deny the allegations contained in paragraph No. 7 and, on that basis, the Claimants deny them.

8. The Claimants assert that Paragraph No. 8 of the Plaintiff's amended complaint comprises an historical narrative of the events leading up to the Government's seizure of the Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack sufficient information or knowledge to admit or deny the allegations contained in paragraph No. 8 and, on that basis, the Claimants deny them.

9. The Claimants assert that Paragraph No. 9 of the Plaintiff's amended complaint comprises an historical narrative of the events leading up to the Government's seizure of the Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack

1 sufficient information or knowledge to admit or deny the allegations contained in paragraph No.  
2 9 and, on that basis, the Claimants deny them.

3       10. The Claimants assert that Paragraph No. 10 of the Plaintiff's amended complaint  
4 comprises an historical narrative of the events leading up to the Government's seizure of the  
5 Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack  
6 sufficient information or knowledge to admit or deny the allegations contained in paragraph No.  
7 10 and, on that basis, the Claimants deny them.

8       11. The Claimants assert that Paragraph No. 11 of the Plaintiff's amended complaint  
9 comprise an historical narrative of the events leading up to the Government's seizure of the  
10 Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack  
11 sufficient information or knowledge to admit or deny the allegations in Paragraph No. 11 and on  
12 that basis, the Claimants deny them.

13       12. The Claimants assert that Paragraph No. 12 of the Plaintiff's amended complaint  
14 comprise an historical narrative of the events leading up to the Government's seizure of the  
15 Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack  
16 sufficient information or knowledge to admit or deny the allegations contained in paragraph No.  
17 12 and, on that basis, the Claimants deny them.

18       13. The Claimants assert that Paragraph No. 13 of the Plaintiff's amended complaint  
19 comprises an historical narrative of the events leading up to the Government's seizure of the  
20 Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack  
21 sufficient information or knowledge to admit or deny the allegations contained in paragraph No.  
22 13 and, on that basis, the Claimants deny them.

23       14. The Claimants assert that Paragraph No. 14 of the Plaintiff's amended complaint  
24 comprises an historical narrative of the events leading up to the Government's seizure of the  
25 Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack  
26 sufficient information or knowledge to admit or deny the allegations contained in paragraph No.  
27 14 and, on that basis, the Claimants deny them.

1       15. The Claimants assert that Paragraph No. 15 of the Plaintiff's amended complaint  
2 comprises an historical narrative of the events leading up to the Government's seizure of the  
3 Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack  
4 sufficient information or knowledge to admit or deny the allegations contained in paragraph No.  
5 15 and, on that basis, the Claimants deny them.

6       16. The Claimants assert that Paragraph No. 16 of the Plaintiff's amended complaint  
7 comprises an historical narrative of the events leading up to the Government's seizure of the  
8 Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack  
9 sufficient information or knowledge to admit or deny the allegations contained in paragraph No.  
10 16 and, on that basis, the Claimants deny them.

11       17. The Claimants assert that Paragraph No. 17 of the Plaintiff's amended complaint  
12 comprises an historical narrative of the events leading up to the Government's seizure of the  
13 Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack  
14 sufficient information or knowledge to admit or deny the allegations contained in paragraph No.  
15 17 and, on that basis, the Claimants deny them.

16       18. The Claimants assert that Paragraph No. 18 of the Plaintiff's amended complaint  
17 comprises an historical narrative of the events leading up to the Government's seizure of the  
18 Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack  
19 sufficient information or knowledge to admit or deny the allegations contained in paragraph No.  
20 18 and, on that basis, the Claimants deny them.

21       19. The Claimants assert that Paragraph No. 19 of the Plaintiff's amended complaint  
22 comprises an historical narrative of the events leading up to the Government's seizure of the  
23 Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack  
24 sufficient information or knowledge to admit or deny the allegations contained in paragraph No.  
25 19 and, on that basis, the Claimants deny them.

26       20. The Claimants assert that Paragraph No. 20 of the Plaintiff's amended complaint  
27 comprises an historical narrative of the events leading up to the Government's seizure of the  
28 Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack

sufficient information or knowledge to admit or deny the allegations contained in paragraph No. 20 and, on that basis, the Claimants deny them.

21. The Claimants assert that Paragraph No. 21 of the Plaintiff's amended complaint comprises an historical narrative of the events leading up to the Government's seizure of the Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack sufficient information or knowledge to admit or deny the allegations contained in paragraph No. 21 and, on that basis, the Claimants deny them.

22. The Claimants assert that Paragraph No. 22 of the Plaintiff's amended complaint comprises an historical narrative of the events leading up to the Government's seizure of the Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack sufficient information or knowledge to admit or deny the allegations contained in paragraph No. 22 and, on that basis, the Claimants deny them.

23. The Claimants assert that Paragraph No. 23 of the Plaintiff's amended complaint comprises an historical narrative of the events leading up to the Government's seizure of the Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack sufficient information or knowledge to admit or deny the allegations contained in paragraph No. 23 and, on that basis, the Claimants deny them. By way of further answer the Claimants assert that Individual X could not consent to the transfer/forfeiture of the Defendant Property to the benefit of the United States because he had no property interests and/or rights in the Defendant Property at the time that he executed the consent agreement.

24. The Claimants assert that Paragraph No. 24 of the Plaintiff's amended complaint comprises an historical narrative of the events leading up to the Government's seizure of the Defendant Property to which the Claimants were/are not privy. Therefore, the Claimants lack sufficient information or knowledge to admit or deny the allegations contained in paragraph No. 24 and on that basis, the Claimants deny them.

## **VIOLATION**

a. Each of the unnumbered paragraphs of the Plaintiff's amended complaint under the "Violation" heading identify the various federal criminal statutes that implicate the

1 Defendant Property as criminally-derived and/or criminally-involved assets subject to seizure  
2 and forfeiture. Therefore, no response is required.

3           b.       In the penultimate, unnumbered paragraph of the amended complaint, the Plaintiff  
4 alleges that the Defendant Property is subject to forfeiture pursuant to: 18 U.S.C. § 981 (a)(1)(A)  
5 and (C) and § 981(b); 21 U.S.C. § 881 (a)(6); 18 U.S.C. § 1030; and 18 U.S.C. § 371. The  
6 Claimants fully and categorically deny that the assets comprising the Defendant Property are  
7 subject to forfeiture because the Claimants hold judicially-declared superior property interests in  
8 those assets, en toto, based on, among other things, the Claimants' victim status and the  
9 Claimants' bona fide and pre-existing property interests in the Defendant Property.

10 c. The Claimants fully and categorically deny any and all allegations, contained in  
11 the Plaintiff's amended complaint, not specifically admitted above.

## **AFFIRMATIVE DEFENSES**

## **FIRST AFFIRMATIVE DEFENSE**

The Plaintiff's amended complaint fails to state a claim from which relief can be granted.

## **SECOND AFFIRMATIVE DEFENSE**

The Plaintiff lacks standing to participate in this lawsuit.

### **THIRD AFFIRMATIVE DEFENSE**

Any judgment imposed by this Court that contravenes or extinguishes the

#### **FOURTH AFFIRMATIVE DEFENSE**

The Claimants are innocent owners who did not know, or have reason to know, that the Defendant Property was proceeds of, or involved in, criminal activity.

#### **FIFTH AFFIRMATIVE DEFENSE**

The Claimants were not involved in any way in criminal behavior as relates to the circumstances described in the Plaintiff's amended complaint.

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## SIXTH AFFIRMATIVE DEFENSE

The Claimants acted in good faith at all times relevant to matters described in the amended complaint.

## **SEVENTH AFFIRMATIVE DEFENSE**

The Plaintiff is estopped from pursuing this civil forfeiture because it has failed to conduct an adequate investigation.

## **CLAIMANTS' DEMAND FOR A JURY TRIAL**

The Claimants demand a trial by jury of all triable issues.

Dated: April 5, 2021

FOX ROTHSCHILD LLP

By: /s/ Jaemin Chang  
JAEMIN CHANG  
JEFF NICHOLAS (Pro Hac Vice To Be Filed)

Dated: April 5, 2021

## THE LAW OFFICES OF GUY A. LEWIS

By: /s/ Guy A. Lewis  
GUY A. LEWIS  
(Pro Hac Vice To Be Filed)

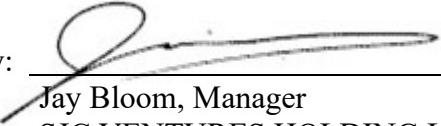
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**VERIFICATION**  
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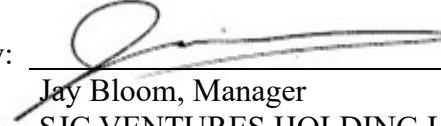
I, the undersigned, certify and declare that I have read the foregoing Verified Answer and know its contents. The matters stated in the foregoing document are true of my own knowledge and belief except as to those matters explicitly stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge. I understand that a false statement or claim may subject a person to prosecution.

Dated: April 5, 2021

FIRST 100, LLC

11  
12 By:   
13 Jay Bloom, Manager  
14 SJC VENTURES HOLDING LLC  
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1st ONE HUNDRED HOLDINGS, LLC  
By:   
Jay Bloom, Manager  
SJC VENTURES HOLDING LLC